
In the
United States Court of Appeals
For the Ninth Circuit

No. 22088 ✓

INDIANA GENERAL CORPORATION,
A CORPORATION,
Plaintiff-Appellant,
vs.

LOCKHEED AIRCRAFT CORPORATION,
A CORPORATION,
Defendant-Appellee.

BRIEF FOR PLAINTIFF-APPELLANT.

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TOPICAL INDEX.

	PAGE
Jurisdictional Statement	1
Statement of the Case.....	3
Introduction	3
Specification of Errors Relied Upon.....	8
Argument of the Case.....	12
Summary	12
Argument	15
The Applications Leading to the Patent in Suit..	15
In the Light of the Foregoing History the Patent in Suit Is Entitled to an Effective Filing Date of December 28, 1948.....	17
A Compound or an Article Cannot Be Repatented Because Someone Discovers a New Use for It	25
Magnetized Materials Possessing Square Hyster- esis Loops Were Known Prior to 1948.....	30
Summary Judgment Clearly Should Not Have Been Granted as to Claims 2 and 4.....	32
The Invention Involved in the Patent in Suit Is Exceedingly Important and Has Contributed Greatly to Industrial and Scientific Progress..	33
Conclusion	34

TABLE OF AUTHORITIES CITED.

Cases.

Abbott v. Coe (U. S. C. A., D. C. 1940), 102 F. 2d 449	25
Allegheny Ludlum Steel Corp. v. Westinghouse Electric Corp., 150 USPQ 95 (D. C. D. C. 1966).....	31
Asseff v. Marzall, 189 F. 2d 660 (C. A. D. C. 1951)....	18
Goodyear Tire and Rubber Co. v. Ladd, 349 F. 2d 710 (C. A. D. C. 1965).....	18
Kirchner, Application of, 305 F. 2d 897 (1962).....	20
Larsen Products Corporation v. Perfect Paint Products, Inc. (D. C. Md. 1961), 191 F. Supp. 303.....	25
Novadel Process Corporation v. J. P. Meyer & Co., Inc., 35 F. 2d 697 (C. A. 2).....	18
Old Town Ribbon & Carbon Co., Inc. v. Columbia Ribbon & Carbon Mfg. Co., Inc., 159 F. 2d 379.....	27
Ransburg Electro-Coating Corporation v. Proctor Electric Company Inc., 203 F. Supp. 235 (D. C. Md. 1962)	18
Shackell, In re, 194 F. 2d 720.....	26
Stewart, Application of (C. C. P. A. 1955), 222 F. 2d 747	24
Thau, In re, 135 F. 2d 344.....	26

Statutes.

United States Code, Title 28, Sec. 1291.....	1
United States Code, Title 28, Sec. 1338(a).....	1
United States Code, Title 28, Sec. 1400(b).....	1
United States Code, Title 35, Sec. 101.....	13, 14, 22
United States Code, Title 35, Sec. 103.....	22
United States Code, Title 35, Sec. 112.....	13, 15, 19
United States Code, Title 35, Sec. 120.....	18, 19

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JURISDICTIONAL STATEMENT.

Plaintiff, Indiana General Corporation, filed a complaint in the United States District Court for the Central Division of California against the Defendant, Lockheed Aircraft Corporation, alleging infringement by the Defendant of United States Letters Patent No. 2,981,689. (R. 2-9.) Jurisdiction is based on the Patent Laws of the United States and 28 U. S. C. 1291, 1338(a) and 1400(b). Defendant's Motion for Summary Judgment was filed January 16, 1964. (R. 276.) Defendant's Motion for Summary Judgment was granted by a Memorandum Decision dated January 12, 1966

(R. 532) and entered on January 26, 1966. (R. 558.) Plaintiff's Motion for Reconsideration was filed February 21 1966 (R. 584) and the Order Denying Plaintiff's Motion for Reconsideration was filed April 24, 1967. (R. 769.) Plaintiff's Notice of Appeal was filed May 22, 1967. (R. 775.)

STATEMENT OF THE CASE.

Introduction.

Stated very briefly, this case presents the question of whether or not a sale in 1949 of a material, known under the trade name Ferramic A-34, would anticipate the patent in suit where the patent in suit is a continuation-in-part of a parent application filed in 1948, and where that patent application specifically disclosed the compound Ferramic A-34. Stated another way, does the sale of the compound Ferramic A-34 in the year *following* the date of the first application disclosing that specific compound, invalidate a patent issued on a subsequently filed patent application which is based upon the 1948 parent application? The specific chronology is as follows:

1. On December 28, 1948, Dr. E. Albers-Schoenberg filed an application for United States Letters Patent on a ferromagnetic ceramic material having a composition which included manganese, magnesium and iron oxides. (R. 886-895.) The application stated that the manganese-magnesium ferrite products of the invention could be magnetized, had high resistivity, and possessed dielectric and insulating properties. (R. 888-89.) The application set forth several specific examples of the manganese-magnesium ferrite material, including Example 3. (R. 892.) Example 3 is the specific formula for a manganese-magnesium ferrite material which later became known by the trade name Ferramic A-34 or A-34. (Finding 26, R. 788.)

2. On May 10, 1949 magnetizable core bodies of Ferramic A-34 were first manufactured and sold commercially by Plaintiff's predecessor. (R. 277, Finding 20, R. 787.)

3. In December of 1949, Plaintiff's predecessor caused to be published in the trade magazine ELECTRICAL MANUFACTURING, an article which included a number of photographs of oscillograms showing hysteresis loops of a number of magnetizable manganese-magnesium ferrites, one of which was the hysteresis loop of Ferramic A-34. (R. 275, Finding 21, R. 787.) It is conceded that the composition of ingredients of Ferramic A-34 was not specified in the article. (R. 473.) It should be pointed out that all magnetizable materials, when magnetized, possess a hysteresis loop as an inherent characteristic. The hysteresis loop of Ferramic A-34 shown in this publication was substantially square in shape. The shape of any hysteresis loop can be determined by simply observing an oscillograph trace.

4. Some time in the summer of 1950, one W. N. Papian of Massachusetts Institute of Technology requested and was supplied by Plaintiff's predecessor with cores of Ferramic A-34 for use in conjunction with an electronic circuit he was developing. (R. 186.) The results of Mr. Papian's experiments were incorporated in a thesis entitled "A Coincident-Current Magnetic Memory Unit" dated August 31, 1950. (R. 312.) On or about October 9, 1950, Mr. Papian's thesis was filed in the M. I. T. library. (R. 310.) There is no record available to show how long the processing of the thesis took before it became available to the public, but the present librarian of the M. I. T. library stated that a thesis so filed would normally be available to the public within a week or ten days after being filed. (R. 310.) It is conceded that the Papian thesis did not disclose the chemical composition nor the ingredient proportions of Ferramic A-34. (R. 473.)

5. On October 30, 1951, Dr. E. Albers-Schoenberg filed a second application in the United States Patent Office, Serial No. 253,779. (R. 234-44.) This application was stated to be a continuation-in-part of the parent application Serial

No. 67,752 filed December 28, 1948. (R. 236.) Application Serial No. 253,779 disclosed a modified range of ingredients of manganese-magnesium ferrites and included as Example 1 the specific formulation of Ferramic A-34. (R. 237, 239, Finding 26, R. 788.) This second application pointed out a further property of manganese-magnesium ferrites, namely, that certain of these materials possess a square hysteresis loop when magnetized. (R. 236-37.) Ferramic A-34 was one of these and the square hysteresis loop property is inherent in that material. (R. 456.)

6. On February 7, 1952, Dr. E. Albers-Schoenberg filed a third patent application in the United States Patent Office, Serial No. 270,351. (R. 925-43.) This application further modified the range of ingredients of manganese-magnesium ferrites, which range, however, included Ferramic A-34. (R. 932, Finding 30, R. 789.)

7. On July 12, 1954, Dr. E. Albers-Schoenberg filed application Serial No. 442,534, narrowing somewhat the range of ingredients of Serial No. 270,351, but still including Ferramic A-34. (R. 796-817.) This application matured into the patent in suit. (R. 5-9.) The application states on its face that it is a continuation-in-part of application Serial No. 270,351, which in turn is a continuation-in-part of application Serial No. 253,779, which itself is a continuation-in-part of application Serial No. 67,752 filed December 28, 1948. (R. 801.)

As a procedural matter, the Plaintiff caused the first three applications to become abandoned, which abandonment did not abandon the invention which was carried into the fourth application and thence into the patent in suit.

Claim 3 of the parent application Serial No. 67,752 filed December 28, 1948, read on Ferramic A-34, and claims 1 and 3 of the patent in suit also read on Ferramic A-34. (Finding 19, R. 787.) The composition Ferramic A-34 was

continuously presented to the Patent Office from December 28, 1948 to the date of issuance of the patent in suit. (Finding 30, R. 789.)

The 1948 application did not disclose the fact that Ferramic A-34 inherently possessed a square hysteresis loop. The second, third, and fourth applications pointed out this characteristic of the manganese-magnesium ferrite material. The fact that this material possessed a hysteresis loop which was square, enlarged substantially the field of use of the material, particularly as memory cores in a computer. The decision of the court below was based upon the conclusion that the patent in suit was entitled only to the filing date of the second-filed application (Item 5 above), Serial No. 253,779, the first application to disclose that manganese-magnesium ferrite materials, including Ferramic A-34, possessed a square hysteresis loop; and that therefore the sale of Ferramic A-34 in May of 1949 (Item 2 above), the publication in ELECTRICAL MANUFACTURING in December of 1949 of the square hysteresis loop properties of Ferramic A-34 (Item 3 above), and the Papian thesis of 1950 which referred to properties of Ferramic A-34 (Item 4 above), presented statutory bars to the validity of the patent and warranted the granting of Summary Judgment of invalidity.

The primary question presented on this appeal is whether or not the patent in suit is entitled to the filing date of the earliest filed application disclosing **subject matter common to both**. Stated another way, where a patent application filed in 1948 specifically disclosed Ferramic A-34 as a manganese-magnesium ferrite possessing important and valuable properties, would the subsequent sale of that specific Ferramic A-34 material in 1949 and the disclosure of the inherent square loop properties thereof in a publication in 1949 and in a thesis in 1950, invalidate the patent which

covers Ferramic A-34, particularly where the composition Ferramic A-34 was continuously presented to the Patent Office from 1948 to the issue of the patent in suit?

The court below held that claims 1 and 3 of the patent in suit which cover the Ferramic A-34 material were invalid because of the sale and publications in 1949 and 1950 referred to above, and furthermore, that claims 2 and 4 of the patent in suit which do not cover Ferramic A-34 were invalid as differing only in degree from claims 1 and 3. (Conclusion 10, R. 791.) Thus, a further question presented to this court is the error of the trial court's ruling granting summary judgment of invalidity as to claims 2 and 4 of the patent in suit.

SPECIFICATION OF ERRORS RELIED UPON.

1. The Court erred in finding that the sale of a manganese-magnesium ferrite material, namely Ferramic A-3 in 1949, invalidates the patent in suit which is a continuation-in-part of a parent application filed in 1948, where the specific manganese-magnesium ferrite material sold was disclosed and claimed in said 1948 application. (Finding 2 R. 787; Conclusion 5, R. 790.)

2. The Court erred in finding that claims 1 and 3 of the patent in suit, which claims cover a manganese-magnesium ferrite material given the trade name Ferramic A-34 to Plaintiff, are invalid because of a sale by Plaintiff in 1949 of Ferramic A-34, where the specific formula of Ferramic A-34 was disclosed in a parent application filed in 1948, and Ferramic A-34 was Example 3 of that parent application in spite of the fact that there was no hiatus in the dependency of applications from the 1948 application to the continuation-in-part application which resulted in the patent in suit, and where the Court specifically found that the composition Ferramic A-34 was continuously presented to the Patent Office during the entire period. (Finding 3 R. 789.)

3. The Court erred in finding that the portion of a publication published in December 1949 which disclosed the square hysteresis loop properties of Ferramic A-34 invalidates the patent in suit which is based on a parent application which first disclosed Ferramic A-34 in December 1948. (Finding 21, R. 787.)

4. The Court erred in finding that the Papien thesis became a "publication" before October 30th, 1950, and when becoming a publication disclosing the square loop

properties of Ferramic A-34 invalidated the patent in suit which covers Ferramic A-34. (Finding 23, R. 787; Finding 24, R. 788; Conclusions 7, 8, R. 791.)

5. The Court erred in failing to find that the patent in suit was entitled to an effective filing date of December 28, 1948, the date of filing of the parent application from which the patent in suit evolved.

6. The Court erred in finding that the patent in suit was entitled to an effective filing date of October 30, 1951, the filing date of application Serial No. 253,779, and not to the filing date of December 28, 1948, the filing date of application Serial No. 67,752. (Finding 6, R. 782; Finding 24, R. 789.)

7. Inasmuch as neither the ELECTRICAL MANUFACTURING publication in 1949, nor the Papian thesis of 1950, disclosed the chemical composition or ingredient proportions of Ferramic A-34, the Court erred in finding such to be "publications" within the meaning of the statute, particularly in view of the fact that there is nothing in the record to indicate that anyone outside of Plaintiff ever analyzed Ferramic A-34. (Findings 21, 24, 25, 27, R. 787-788.)

8. The Court erred in holding that the filing date of the parent application Serial No. 67,752, which application specifically discloses a manganese-magnesium ferrite material and enumerates its then known properties, cannot be relied upon in the continuation-in-part application Serial No. 253,779 subsequently filed during the pendency of the parent application, which continuation-in-part application discloses the same manganese-magnesium ferrite material, because the continuation-in-part application also discloses a newly found but inherent property of such material.

9. The Court erred in finding that even though the claims of the patent in suit and the claims of the parent application upon which Plaintiff asserts the patent in suit

is entitled to rely both cover the same manganese-magnesium ferrite material, the essence of the invention was the recitation of inherent properties of the material and therefore the claims must be considered as drawn to different inventions. (Finding 13, R. 784.)

10. The Court erred in finding that since the 1948 application Serial No. 67,752 did not disclose the square hysteresis loop properties of the manganese-magnesium ferrite material therein disclosed, nor the use thereof in a computer, the patent in suit is not entitled to the filing date of such application. (Finding 34, R. 789.)

11. The Court erred in making findings covering disputed issues of fact in a Summary Judgment proceedings such as, what constitutes the "new" discovery of a patent without evidence concerning what was old, *i.e.*, the prior art. (Findings 13, 14, 17, R. 784-786.)

12. The Court erred in holding claims 2 and 4 of the patent invalid by virtue of the sale of a ferrite material whose proportions of ingredients are outside of the proportions found in claims 2 and 4.

13. The Court erred in concluding, without the benefit of evidence, that the ferrite materials described in claims 2 and 4 of the patent in suit differ only in degree from the ferrite materials described in claims 1 and 3. (Conclusion 10, R. 791.)

14. The Court erred in finding that the "new and useful" thing disclosed in the patent in suit is the discovery that manganese-magnesium ferrites have the property of a square hysteresis loop if compounded within certain proportions. (Finding 14, R. 785.)

15. The Court erred in failing to find that the "new and useful" thing disclosed in application Serial No. 67,752 (and in all of the applications that followed) was a composition of matter, *i.e.*, a group of manganese-magnesium fer-

rites whose ingredients were within a specified range of proportions, such new and useful composition of matter possessing useful properties.

16. The Court erred in concluding that the invention of the patent in suit was the inherent property of a specific composition of manganese-magnesium ferrite material where the claims are directed to the particular proportions of manganese-magnesium ferrite materials which inherently possess such properties. (Conclusion 2, R. 790.)

17. The Court erred in failing to find that the invention of the patent in suit was specific compositions of manganese-magnesium ferrite materials, which compositions were disclosed in the parent application filed in 1948.

18. The Court erred in granting summary judgment particularly in view of the existence of disputed questions of fact upon which evidence should be received.

19. The Court erred in basing its decision on the premise that the "heart of Plaintiff's invention" was the discovery of a "hysteresis loop which becomes square or rectangular when magnetized". (R. 537.)

20. The Court erred in concluding that the first application, Serial No. 67,752, did not disclose the invention of the patent in suit, in spite of Defendant's concessions that the manganese-magnesium ferrite material Ferramic A-34, specifically disclosed as Example 3 in application Serial No. 67,752, inherently possesses square loop properties (R. 456), and Defendant's further concession that "making and disclosing a ferrite product which produces a square loop hysteresis would constitute invention for the purposes of this motion." (R. 543.)

ARGUMENT OF THE CASE.

Summary.

The validity of claims 1 and 3 of the patent in suit depend primarily on whether or not the sale of Ferramic A-34, the ELECTRICAL MANUFACTURING publication and the Papiian thesis in the years following the filing date of the application first disclosing Ferramic A-34, can be considered as anticipating the patent in suit which is a continuation-in-part of the parent application filed in 1948. If the invention was the discovery of a new manganese-magnesium ferrite material, that material was discovered by 1948 and the subsequent sales and publications have no effect on the validity of the patent in suit. If the invention was the discovery that the specific manganese-magnesium ferrite material possessed an additional but inherent property which rendered it useful in additional areas, that fact was not presented in an application to the Patent Office until more than one year after the date of sale of the Ferramic A-34 material. Stated in its simplest terms, if Dr. Albers-Schoenberg's invention was a new composition of matter, the 1948 filing date is applicable and the patent in suit is valid; if Dr. Schoenberg's invention was the discovery of a new use for the composition of matter disclosed in his 1948 application, that new use did not appear in a patent application until more than one year after the first sale of the composition.

Claims 2 and 4 of the patent in suit cover manganese-magnesium ferrites of a composition different than Ferramic A-34, different from anything disclosed in the 1948 application, and their validity depends upon whether or

not the trial court was correct in concluding that they differ only in degree from claims 1 and 3.

The undisputed fact is that the Ferramic A-34 material, the sale and disclosure of which was held to invalidate the patent in suit, was specifically disclosed in the application filed in 1948. That application disclosed manganese-magnesium ferrite materials, described how to make them, and set forth the uses to which the material could be put, all in conformity with 35 U. S. C. 112. The invention is a composition of matter, namely, a new manganese-magnesium ferrite material possessing useful properties. The fact that subsequently an additional useful property was discovered should in no way deprive the Plaintiff from the first effective filing date.

It would appear that the trial court's decision to grant Summary Judgment was based on the erroneous premise that the invention was not the discovery of a particular manganese-magnesium ferrite material which possesses valuable and useful properties, but rather that the invention was the discovery of a property of the material. In other words, the Court below held, conceding that the material Ferramic A-34 was the same from the 1948 application to the patent in suit and is covered by the claims of both, that the discovery of the inherent square hysteresis loop properties possessed by Ferramic A-34 constituted the invention of the patent in suit rather than the discovery of the Ferramic A-34 material itself.

The patent laws simply do not provide for the issuance of a patent upon the discovery of a property, nor do the patent laws provide for the issuance of a new patent on an old composition of matter because of the discovery of a new use for the composition. Only the composition itself may be patented and then only if the composition is new. Thus, Section 101 of 35 U. S. C. reads as follows:

SEC. 101. *Inventions patentable*

Whoever invents or discovers any new and useful process, machine, manufacture, or **composition of matter**, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

The controlling authorities disagree with the position taken by the court below. Under the authorities, it is the composition of matter itself which may be patented and once having been patented, a second patent cannot issue covering a different use of the composition. The essence of the invention being the composition itself, the sale of the composition subsequent to the filing date of an application disclosing the same does not constitute a bar. This being the law, the sale of Ferramic A-34 in 1949 cannot invalidate the patent in suit based on an application filed in 1948.⁽¹⁾

(1) It should be noted that the sale of the Ferramic A-34 material in 1949, which was held to invalidate the patent in suit, was a sale for uses disclosed in the 1948 application, *i.e.*, delay lines, transformer cores, tuning slugs and cores for oscillator coils, sometimes in the form of Toroids. (R. 447, 277). The sale was not for uses of the material arising out of the inherent square hysteresis loop characteristic of Ferramic A-34, and it is not known whether the purchasers even knew that the material possessed such a characteristic. If the court below was correct in that the invention was the "new use", clearly the 1949 sale would not invalidate the patent in suit as the sale was not for such use. It is Plaintiff's position, however, that the invention was the discovery of a new composition of matter possessing valuable properties. This discovery was disclosed in a patent application in 1948. On this premise, the sale in 1949 of the Ferramic A-34 material would invalidate the patent in suit if the first application disclosing that composition were filed more than one year after the date of such sale. The fact is, of course, that the 1948 application specifically disclosed the Ferramic A-34 material and hence the sale in 1949 is of no consequence.

ARGUMENT.

THE APPLICATIONS LEADING TO THE PATENT IN SUIT.

The first application, Serial No. 67,752, was filed on December 28, 1948. This application complies fully with the patent laws as regards disclosure, and more particularly the requirements of 35 U. S. C. 112. Thus, the application contains a written description of a manganese-magnesium ferrite material having dielectric properties, high resistivity, and high insulating properties. (R. 889-90.) The application includes the process of making the product by grinding the ingredients in specified proportions and molding and firing the mix at specified temperatures. (R. 891-92.) Three specific examples of manganese-magnesium ferrites are set forth including specific ingredient proportions, process of preparing the raw materials (grinding, molding and firing at a specified temperature), and reporting the electrical and magnetic characteristics of the resulting manganese-magnesium ferrites. (R. 891-92.) Example 3 of the application is the material identified as Ferramic A-34, Ferramic A, or A-34. (R. 475, 544.) The description includes the best mode then known of making and using the manganese-magnesium ferrite material. The description includes the suggested uses for the resulting manganese-magnesium ferrite material as magnetic core bodies for inductances in electrical circuits or for use wherever the material contacts conducting parts of a circuit. (R. 888.) Magnetic cores are used in computers and conducting parts (wires) of the computer circuit pass through the core, which conducting parts contact the magnetic core, all as suggested in this application Serial No. 67,752. Thus, when the need for magnetic materials

possessing insulating properties and being capable of being in contact with electrical conductors arose in the construction of computers, the material of the 1948 application was ready and waiting to supply such need.

The second application, Serial No. 253,779, was filed October 30, 1951, while the first application was still pending. (R. 234.) Example 1 of this application is the specific formula for Ferramic A-34. (R. 239, 475-76.) This application set forth an additional property of the manganese-magnesium ferrite material, namely, that such materials (including Ferramic A-34) when magnetized possess a hysteresis loop which is substantially square. (R. 239-40.)

The third application, Serial No. 270,351, was filed February 7, 1952, while the first two applications were still pending and hence there was no hiatus in the pendency of applications before the Patent Office. (R. 475-76.) This application also disclosed manganese-magnesium ferrite materials but enlarged somewhat the range of proportions of the ingredients over the range set forth in application Serial No. 253,779. (R. 6; 475-76; 932-37.)

The fourth application, which resulted in the patent in suit, was filed on July 12, 1954. (R. 796-817.) The second and third applications were still pending at this time, while the first application had been abandoned. All of the first three applications, of course, were abandoned before the patent in suit issued. The abandonment of the applications, of course, does not constitute an abandonment of the invention disclosed therein. This fourth application, which resulted in the patent in suit, narrowed slightly the range of ingredient proportions of application 270,351. The range of the patent in suit includes Ferramic A-34. (Finding 19, R. 787.)

Summarizing the history, the first application contained a full disclosure of the composition of Ferramic A-34 as one ferrite among several within a specified range of man-

ganese-magnesium ferrites. The second application continued and carried forward the specific Ferramic A-34 ferrite material. There was also disclosed in the second application certain manganese-magnesium ferrites whose compositions were outside the range of the 1948 application. The range of the second application included Ferramic A-34. In effect, the family of ferrites in the second application was such that it included Ferramic A-34 in the family.

The third application was filed in order to expand slightly the range of the manganese-magnesium ferrites of the immediately previous application. The expanded range still included Ferramic A-34 as well as all of the range of the second application. The fourth application merely narrowed somewhat the range of the manganese-magnesium ferrites of the third application but still included Ferramic A-34.

In the Light of the Foregoing History, the Patent in Suit Is Entitled to an Effective Filing Date of December 28, 1948.

Under the law, the foregoing facts clearly establish Plaintiff's right to rely on the December 1948 filing date insofar as the patent in suit is concerned to the extent that the subject matter of the 1948 application and the patent in suit are common. It was found by the trial court that the composition Ferramic A-34 was continuously presented to the Patent Office from December 28, 1948 to the date of issue of the patent in suit. (Finding 30, R. 789.) Thus, the disclosure of the patent in suit, at least insofar as it relates to and covers Ferramic A-34, is common with the subject matter of the disclosure of the 1948 application.

The law is clear that a continuation-in-part application is entitled to the filing date of the parent application to the extent of subject matter common to both. Thus, in the case

of *Asseff v. Marzall*, 189 F. 2d 660 (C. A. D. C. 1951), the court stated, at page 661:

“But the Cook patent purports on its face to be a ‘continuation-in-part’ of a prior application filed July 11, 1941. As to all subject matter carried over into the continuing application from the parent application, the former is entitled to the filing date of the latter. *Hunt Co. v. Mallinckrodt Chemical Works*, D. C. E. D. N. Y. 1947, 72 F. Supp. 865. The question is, then, what matter, if any, was carried over into the later application?”

It is conceded (R. 476) that the manganese-magnesium ferrite material Ferramic A-34 was continuously presented to the Patent Office from 1948 to the date of issuance of the patent in suit, and the court so found. (Finding 30, R. 789.) Thus Ferramic A-34 was “matter carried over into the later application”.

The *Asseff v. Marzall* case was quoted with approval in the case of *Goodyear Tire and Rubber Co. v. Ladd*, 349 F. 2d 710 (C. A. D. C. 1965) where the court stated, at page 711:

“Though appellants now contest this, we have already held that, ‘(a)s to all subject matter carried over into the continuing application from the parent application, the former is entitled to the filing date of the latter.’ *Asseff v. Marzall*, 88 U. S. App. D. C. 358, 359, 189 F. 2d 660, 661, cert. denied, 342 U. S. 828, 72 S. Ct. 51, 96 L. Ed. 626 (1951).”

See also *Ransburg Electro-Coating Corporation v. Proctor Electric Company, Inc.*, 203 F. Supp. 235 (D. C. Md. 1962), at pp. 246-47; and *Novadel Process Corporation v. J. P. Meyer & Co., Inc.*, 35 F. 2d 697 (C. A. 2), at p. 701.

The patent statutes also clearly set forth Plaintiff's rights. 35 U. S. C. 120 provides as follows:

SEC. 120. *Benefit of earlier filing date in the United States.*

An application for patent for an invention disclosed in the manner provided by the first paragraph of section 112 of this title in an application previously filed in the United States by the same inventor shall have the same effect, as to such invention, as though filed on the date of the prior application, if filed before the patenting or abandonment of or termination of proceedings on the first application or on an application similarly entitled to the benefit of the filing date of the first application and if it contains or is amended to contain a specific reference to the earlier filed application.

The 1948 application complies with each of the requirements of the first paragraph of section 112, which reads as follows:

SEC. 112. *Specification.*

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

The 1948 application disclosed an invention in the manner provided by section 112. As hereinbefore pointed out, the invention was described, the manner and process of making and using it were described in terms such as to enable one skilled in the art to practice it, and the application also set forth the best modes contemplated by the inventor for carrying out his invention. The patent in suit refers in sequence to the preceding applications, as required by the last portion of section 120, and it should be noted that the Patent Office made no objection to the reci-

tation of preceding applications back to the 1948 application, nor did the Patent Office question the patentee's right to relate the patent in suit back to the first filed application.

One of the premises for the trial court's position in denying the Plaintiff the benefit of the 1948 filing date insofar as Ferramic A-34 is concerned, is expressed in Finding 34, which reads as follows:

"34. Since application Serial No. 67,752 did not disclose the square hysteresis loop properties of the magnesium-manganese ferrite material therein disclosed nor the use thereof in a computer, the patent in suit is not entitled to the filing date of such application." (R. 789.)

The court did find (Finding 11, R. 784), and the Defendant conceded (R. 456), that the manganese-magnesium ferrite materials of the 1948 application possessed other useful properties. The court also found (Finding 26, R. 788), and the Defendant also so conceded (R. 456), that the Ferramic A-34 disclosed in the 1948 application inherently possessed a hysteresis loop that was square.

The court, however, is clearly in error in basing its decision that the patent in suit cannot be given the benefit of the 1948 filing date, at least insofar as Ferramic A-34 is concerned, on the premise that the same use must be disclosed before the date can be related back.

The fact that the inventor of a specific compound subsequently discloses an additional property possessed by the compound and files a continuation-in-part application which discloses the additional property, does not deprive the inventor of the filing date of the first application disclosing the compound. This issue was squarely presented to the Court of Customs and Patent Appeals in the case of the *Application of Kirchner*, 305 F. 2d 897 (1962). In that case Kirchner had compounded a certain chemical composition and had filed an application for patent disclosing

the compound, attributing to it certain therapeutic properties. At a later date, Kirchner filed a continuation-in-part application of his first filed application disclosing the same compound but attributing to it a different therapeutic property. Between the dates of the Kirchner first filed application and his continuation-in-part application, there was a publication of an article disclosing the compound. The publication occurred at a date more than a year prior to Kirchner's filing of his continuation-in-part application. The question was whether Kirchner was entitled to rely upon the filing date of his first filed patent application and thus avoid the statutory bar of the publication. Kirchner was one of the co-authors of the article (just as Dr. Albers-Schoenberg the inventor here, is one of the co-authors of the article in *ELECTRICAL MANUFACTURING* of December 1949). (R. 271.)

The Patent Office position was that Kirchner was not entitled to his earliest filed application date for the reason that the statement of the therapeutic properties of the compound in the continuation-in-part application was not to be found in the first filed application, which actually asserted different therapeutic properties. Admittedly, the compound described in both the first filed and continuation-in-part applications was the same.

Speaking through Judge Rich, the Court of Customs and Patent Appeals held that the mere fact that Kirchner suggested a new and even different property or use for his invention would not prevent his being able to rely on the filing date of the first filed application disclosing the compound, the Court stating at page 902:

"This new position adopted by the board was that the disclosure in the parent case contained 'deficiencies' in that it failed to disclose that the claimed compounds 'may function both as curarimimetic agents and as anticholinesterase or curare-antagonizing agents depending upon whether they are used in large or in

minute dosages.' Or, to adopt other language from its opinion denying reconsideration, it held that appellant 'could not rely on' the parent case because it did not disclose '*the* utility asserted in the instant application.' (Emphasis ours.)"

In recognizing Kirchner's right to rely on the early filing date the court went on to say, pages 903-904:

"Always lurking in the background of the argument of the Patent Office is an echo of a theory which was initially propounded by the examiner but never really pursued before us, namely, that 'the invention' in the case of a new chemical compound is not the compound itself (as a 'composition of matter' within the contemplation of section 101, 35 U. S. C.), but is a compound *coupled with* a disclosed use. This interesting metaphysical concept led the examiner to take the position that a disclosure of compound X having anticholinesterase activity is a disclosure of a *different* 'invention' than compound X with curarimimetic activity even though *the claims* are directed to compounds per se without a use. This was the reasoning of the *Scudi* case, cited by the board, and was urged by Coan in the *Biel v. Coan* case. We think the Board of Interference Examiners gave a very good answer in the latter case when it said:

'Coan's view is untenable and if adopted could lead to extraordinary results. Thus, the same compound could be repatented as often as a new use could be found, merely on the ground that the invention was different and even an infringer of a patented compound could escape by the same route.'

"What might be termed the examiner's 'complete invention theory' in chemical cases, confuses, it seems to us, the invention itself which is the subject matter claimed—in cases of this type the new chemical compound—with one of the factors which is taken into consideration in determining whether the invention is or is not *patentable* from the standpoint of meeting

35 U. S. C. Sec. 103. As was said in *Biel v. Coan*, where the claim contains no 'use' limitation, '**we know of no authority, theory or reason**' for requiring that a parent case disclose the same utility as a later application to entitle the latter to the benefit of the filing date of the parent.'" (Emphasis added.)

The *Kirchner* case is directly on the point involved in the present litigation. Actually, the facts in the *Kirchner* case go somewhat beyond the facts in the present case. The properties of manganese-magnesium ferrites expressed in the patent in suit are not only the square hysteresis loop, but also the high resistivity and high insulating properties. The high resistivity and insulating properties of the material was also pointed out in the parent application filed in 1948. In the *Kirchner* case the property and use pointed out was totally new and the property and use expressed in the first application was dropped from the second. Even so, the court held that the applicant was entitled to the filing date of the first filed application.

The claims in suit clearly have no "use" limitation. The phrase in the claims "having a substantially square hysteresis loop" is a statement of a property not a statement of a use and the Court of Customs and Patent Appeals in an interference involving the application which became the patent in suit specifically so found. Thus, in *Hegyi v. Albers-Schoenberg*, 280 F. 2d 859, in discussing a claim containing the above phrase, the Court stated, at page 862:

"Here the count is for a ferrite body having a substantially square hysteresis loop and being composed of ingredients falling within prescribed ranges. It is not limited to use in a magnetic memory of the coincidence current type, or in a magnetic switch or even as a magnetic core. No particular use or operative connections are required. It is a broad count drawn to an article."

While the 1948 application did not disclose the fact that the manganese-magnesium ferrites therein described possessed square loop properties, the application very specifically pointed out that they possessed other useful properties including high resistivity. (R. 890.) The court found that they did in fact possess such high resistivity and this would presumably lead persons skilled in the computer art to use the materials of the 1948 application as memory cores in computers. The trial court found in Finding 11:

"11. Certain magnesium-manganese ferrites whose ingredient proportions are disclosed in the patent in suit and in said application Serial No. 67,752 inherently have high resistivity as compared to metals, i.e., they are very poor conductors of electricity as compared to metals. This property of high resistivity makes them far superior in magnetic memory systems than the previously known laminated metal materials some of which also have square hysteresis loops." (R. 784.)

The reference to "magnetic memory systems" is clearly a reference to a computer which is a device which uses such systems.

The cases on which the court relied in its decision do not support the conclusion that Plaintiff is not entitled to rely upon the 1948 filing date. The case of *Application of Stewart* (C. C. P. A. 1955), 222 F. 2d 747, was not concerned with whether or not an applicant would be entitled to rely on the filing date of an earlier filed application. There was no prior application. The basis of the decision in the *Stewart* case is that where an applicant points out in a specification two equivalent methods of accomplishing a step in a process (washing by swabbing or by spraying), and the prior art shows one of the methods (swabbing) to be old, applicant will not be permitted to argue that his specification is, in effect, wrong and spraying is not the equivalent of swabbing but is far superior thereto.

In the case of *Abbott v. Coe* (U. S. C. A., D. C. 1940), 109 F. 2d 449, there was but a single application involved and the question of whether or not a date could be carried back to an earlier application simply did not arise. The court merely held that **patentability** cannot be urged on the basis of an advantage not disclosed in the specification but raised for the first time after the claims were rejected by the Patent Office.

Another case relied on by the court below was *Larsen Products Corporation v. Perfect Paint Products, Inc.* (D. C. Md. 1961), 191 F. Supp. 303. The facts in the *Larsen* case are quite different from the facts in this case. The public use which was the prime factor in invalidating the claims of the patent which issued on a continuation-in-part application, occurred more than a year prior to the filing date of the parent application. Thus, the public use was early enough to invalidate the parent application. Furthermore, the specification in the parent case stated that the film could either be allowed to dry or not before the plaster was applied, but in arguing validity of the second case, the patentee claimed that the drying was an essential step. In other words, like the *Abbott v. Coe* case, *supra*, the patentee took the position that the original application was wrong in stating, in effect, that it was immaterial whether the film was allowed to dry or not, a position which the court refused to accept.

A Compound or an Article Cannot Be Repatented Because Someone Discovers a New Use for It.

One of the most firmly established points in patent law is that a compound or article cannot be repatented simply because someone has discovered a new use for it. The reason for the rule is perfectly clear. If everyone discovering a new use for a particular compound could obtain a

separate patent on each such use, the Patent Office and the Courts would be flooded with a myriad of patents covering old products or old compositions every time someone thought of a new use for them. A manufacturer manufacturing and selling a compound would have to inquire into the customer's intended use of it before the manufacturer would know whether or not his sale thereof constituted patent infringement. If this was the law, one could in effect repatent the wheel if he could think of a new use for it. In the *Kirchner* case, *supra*, the Court quoted with approval the Board of Interference Examiners when it said,

“Coan's view is untenable and if adopted could lead to extraordinary results. Thus, the same compound could be repatented as often as a new use could be found, merely on the ground that the invention was different and even an infringer of a patented compound could escape by the same route.” (305 F. 2d 807, 903.)

The Court of Customs and Patent Appeals in the case of *In re Thuan*, 135 F. 2d 344, stated at page 347:

“That appellant has made a valuable discovery in the new use of the composition here involved we have no doubt, and it is unfortunate for him if he cannot make claims adequate to protect such discovery, but to hold that every new use of an old composition may be the subject of a patent upon the composition would lead to endless confusion and go far to destroy the benefits of our patent laws.”

Following the same doctrine, the Court of Customs and Patent Appeals in the case of *In re Shackell*, 194 F. 2d 720, stated at page 728:

“It surely is settled definitely, as a principle of patent law, that a new use for an old composition does not render claims for such use patentable. *In re Thuan*, 135 F. 2d 344, 30 C. C. P. A., Patents, 979, and the several cases therein cited.

“Appellant, however, insists here, in substance, that the researchers did not recite in the references nor disclose any use of the composition which they developed and that he discovered a use for the composition which he developed. He, therefore, urges that this case is distinguishable from the *Thuau* case, *supra*, and like cases.

“We are unable to agree that there is any patentable distinction between discovering a use and discovering a *new* use for a chemical product developed by experimentation. The patent which appellant seeks is for a composition of matter *as a composition*; not for the concept of using the composition.”

Judge Learned Hand has stated and explained this point of law so clearly and succinctly that it would be pointless to attempt to improve upon his language or reasoning. Speaking for the Court of Appeals for the second circuit in the case of *Old Town Ribbon & Carbon Co., Inc. v. Columbia Ribbon & Carbon Mfg. Co., Inc.*, 159 F. 2d 379, Judge Learned Hand said, at page 382:

“The Constitution (Art. I, Sec. 8) gives Congress power to grant limited monopolies for ‘discoveries,’ and there is no antecedent reason for saying that Congress might not, if it chose, issue a patent for a new use of an old physical object, which is in fact closely akin to, if not identical with, an ‘art,’ like a process. There would be nothing unreasonable in so doing; substantially no ‘machine, manufacture or composition of matter’ is ever new throughout; usually it is a combination of elements, all of which are severally old, and the invention consists in the mental act of fabricating the combination. Nevertheless, since 1793, unless a patent disclosed a ‘new and useful art,’ a new ‘machine,’ a new ‘manufacture,’ or a new ‘composition of matter,’ it has not been a valid patent. If it be merely for a new employment of some ‘machine, manufacture or composition of matter’ already known, it makes not the slightest difference how beneficial to the public the new function may be, how long a search it may end, how

many may have shared that search, or how high a reach of imaginative ingenuity the solution may have demanded. All the mental factors which determine invention may have been present to the highest degree, but it will not be patentable because it will not be within the terms of the statute. **This is the doctrine that a 'new use' can never be patentable.** In this circuit we have many times applied it, and it has been recognized elsewhere. As we have said in earlier cases, this does not mean that very slight physical changes in a 'machine,' a 'manufacture' or a 'composition of matter' may not be enough to sustain a patent: the act of selection out of which the new structure arises, is the determinant, and small departures may signify and embody revolutionary changes in discovery; but the law does not protect the act of selection per se, however meritorious, when it is not materially incorporated into some new physical object. From this it follows that it makes no difference how radically Lewis and Menihan's discovery changed the art by making double Ritzerfeld sheets convertible to both processes by the expedient of merely typing one outside face or the other; nor does it make the least difference how completely the discovery, qua discovery, fulfills all those conditions mentioned in *Safety Car Heating & Lighting Co. v. General Electric Co.* It is scarcely necessary to add that the claims in suit are not for an 'art' or 'process.'" (Emphasis added.)

The court below apparently based its decision at least in part on the premise that when it became known that Ferramic A-34 inherently possessed a hysteresis loop which was square in shape, new uses for Ferramic A-34 would result therefrom and a new invention was born. On this premise the court went on to hold that such new uses are the proper subjects of patent protection. The fact that Ferramic A-34 had a square hysteresis loop was first disclosed in the 1951 application Serial No. 253,779, and this led the court to hold that the patent in suit was entitled only to an effective filing date of October 30, 1951.

Thus, the court below stated in its memorandum decision (R. 546):

“Moreover, the cases last above cited, and those with similar holdings, emphasize that **the new use entitled to protection** either ‘must result’ from the product or that the new use did not involve a new principle or was not an unobvious use.

“That it was an ‘unobvious’ use and involved a ‘new principle,’ and was not something that ‘must result’ to one skilled in the art is shown by the experimentation conducted by Papian, and the results disclosed in his thesis.” (Emphasis added.)

This is a misconception of the law governing patents. As pointed out by Judge Learned Hand, a new use can never be patentable. It is the new product or composition of matter which is patentable. This composition of matter (Ferramic A-34) was first disclosed in the 1948 application and that is the date to which the patent in suit is entitled.

In the decision of the court below on a petition for rehearing, the court adhered to its original premise, stating (R. 771):

“The plaintiff says (p. 30, ll. 24-26 of Motion) a square hysteresis loop is a property of the composition. That being so, that *property—and its use*—must have been disclosed in application 67,752 in order to enable the plaintiff to be entitled to the date of its filing, December 28, 1948—more than 12 years before the issuance of the patent in suit.” (Court’s emphasis.)

The trial court’s position that it is the use that can be patented rather than the ingredient proportions of a composition of matter itself is further emphasized in Conclusion of Law No. 2, to the effect that invention cannot reside in the discovery of a particular composition of manganese-magnesium ferrites, “because the ingredients of ferrite bodies can be mixed in any proportion desired.” (R. 790.) If this were the law, no chemical compound could be

patented *per se*, as obviously chemicals can be mixed "in any proportion desired".

Magnetized Materials Possessing Square Hysteresis Loops Were Known Prior to 1948.

In reading the memorandum decision of the court below it becomes increasingly clear that the trial judge believed the essence of the invention to be the discovery that a compound disclosed in the 1948 application possessed, when magnetized, a hysteresis loop which was square in shape. (R. 536.) Furthermore, it is clear that the court felt this point to be exceedingly important because the court below felt that magnetized materials possessing square hysteresis loops were new, and thus that all the myriad uses to which such materials could be put became available for the first time. Illustrating the foregoing, it will be noted that the court stated (R. 537):

"The knowledge that certain materials produced a hysteresis loop when magnetized, is not new, but a *hysteresis loop which becomes square or rectangular* when magnetized and the uses and advantages of such squareness is new, and is the heart of plaintiff's invention." (Emphasis by the court below.)

The fact of the matter is that magnetized materials having square hysteresis loops were known prior to 1948. The publication *PHYSICS*, of September 1935, clearly shows square hysteresis loops. (R. pp. 571-583, particularly R. 573.)

Finding 11 (R. 784) actually could be considered as contrary to the above statement in the court's memorandum decision. Finding 11 reads:

"11. Certain magnesium-manganese ferrites whose ingredient proportions are disclosed in the patent in suit and in said application Serial No. 67,752 inherently have high resistivity as compared to metals, *i.e.*,

they are very poor conductors of electricity as compared to metals. This property of high resistivity makes them far superior in magnetic memory systems than the previously known laminated metal materials some of which also have square hysteresis loops.”

The apparently diametrically opposed statements serve to point up the difficulties besetting the court below in attempting to dispose of a matter of the importance and complicated nature of the present case in summary proceedings. Without the benefit of a full hearing, the court is not in a position accurately to judge the character and scope of the invention. As Judge Holtzoff said in the case of *Allegheny Ludlum Steel Corp. v. Westinghouse Electric Corp.*, 150 USPQ 95 (D. C. D. C. 1966), in denying a Motion for Summary Judgment (at page 95):

“The invention relates to iron alloys, specifically to use of boron in order to make the alloy ductile. The specific invention consists in the use of a specified range of proportions of boron in order to produce the desired quality without any adverse effects. The patent was issued on an application that was a continuation of a prior application.

“For reasons that need not be reviewed here, the validity of the patent depends largely on the question whether the owner of the patent is entitled to the benefit of the earlier filing date of the original application. This, in turn, depends very largely on the degree to which the use of the particular quantities of boron disclosed in the patent and the reasons for it, constitute an invention separate and apart from that disclosed in the original application. This is a matter as to which expert testimony would be admissible. So, too, testimony as to the history of the invention, as well as its relation to the prior art and its commercial utilization, would be relevant. Similarly, the nature of the disclosure in the original application is a matter for expert testimony, since the question is what would be understood by a man skilled in the art. Disclosures of specifications are not intended for the

layman. There are other less important topics concerning which oral testimony would be admissible. The issues cannot be determined by the Court by a mere reading of the documents. *Bridgeport Brass Co. v. Bostwick Laboratories*, 2d C., 181 F. 2d 315, 85 USPQ 89; *Hazeltine Research v. General Electric Co.*, 7th C., 183 F. 2d 3, 5, 86 USPQ 233, 235."

Summary Judgment Clearly Should Not Have Been Granted as to Claims 2 and 4.

The court below correctly found that the subject matter of claims 2 and 4 was not disclosed in the first filed application, Serial No. 67,752, but covered the preferred range of manganese-magnesium ferrites of the patent in suit. Claims 2 and 4 do not read on Ferramic A-34, and the range specified in claims 2 and 4 is not disclosed in the Papian thesis nor in the ELECTRICAL MANUFACTURING publication, nor were manganese-magnesium ferrites within the range of claims 2 and 4 in public use or on sale more than one year prior to the filing of the application Serial No. 253,779, on which the court below specifically found that plaintiff is entitled to rely.

The court held as a conclusion of law that claims 2 and 4 differed only in degree from claims 1 and 3, and hence were invalid. There is no finding of fact to support such a conclusion, but assuming Conclusion of Law No. 14 to be more in the nature of a Finding of Fact, there was no evidence before the court to support such a finding. Mr. Snyder testified that the hysteresis loops generated by the materials covered within the range of claims 2 and 4 were the squarest within the range of proportions disclosed. (R. 292-93.) Thus, he stated that the difference in squareness was a matter of degree. (R. 293.) This is not a difference in proportions of compositions of matter, this is a difference in the shape of the hysteresis loops. Obviously, there

can be materials which are not even manganese-magnesium ferrites but which have hysteresis loops which are identical in squareness with the hysteresis loops formed by the ferrites of claims 2 and 4. To say that two products differ only in degree because their performances differ only in degree is clearly an erroneous conclusion.

**The Invention Involved in the Patent in Suit
Is Exceedingly Important and Has Contributed
Greatly to Industrial and Scientific Progress.**

The importance of the invention of the patent in suit can be illustrated by reference to Finding 11 quoted just above, which points out that previously known laminated metals possessed square hysteresis loops. The significance of a square hysteresis loop in a magnetized product is primarily because such a product can act as a switch, *i.e.*, as a memory storage device. Thus, the products of the present invention may be used as cores in a computer and form a part of the memory system thereof. It is possible to construct a computer utilizing laminated metal magnets possessing square hysteresis loops as part of the memory system. Computers have also been made wherein vacuum tubes are utilized as the "memory" component.

The memory cores made of the material of the present invention, however, are infinitely smaller in size than either a vacuum tube or a laminated metal magnet. The size of a manganese-magnesium ferrite memory core is about the size of a dot over an "i" as printed in this brief, and over a *million* of such cores could be contained in the space occupied by a single vacuum tube. Probably a *hundred thousand* of the memory cores of the present invention would be needed to fill the space occupied by a single laminated metal magnet. Furthermore, the response time of the memory cores of the present invention is approxi-

mately 40 times faster than the response time of laminate metal magnets. (R. 6; 360, 380, 385.)

As a matter of fact, the present invention opened the door to the development of the modern computer. Computers can now be made occupying a corner of a room rather than an entire building and, of course, the maintenance and upkeep is infinitely less.

Licenses under the patent in suit have been taken by such companies in the computer field as Ampex Corporation, Remington Rand, Western Electric, RCA, and others. (R. 99.)

A patent of this importance should not be dealt with summarily, nor should an important invention be struck down without a full hearing on the merits. After all of the evidence is before the court, the court will then be in a position to decide what is "the essence of the invention". Until that evidence is all before the court, the court is not in a position to judge the merits of the invention and to afford it the status it deserves.

CONCLUSION.

The court below based its decision holding claims 1 and 3 invalid on the sale of, and publications concerning, a single manganese-magnesium ferrite material, namely, Ferramic A-34. The sales and publication, however, occurred after a patent application was on file specifically disclosing Ferramic A-34. There was no hiatus in the pendency of applications before the Patent Office from the filing date of that first application to the filing date of the application which resulted in the patent in suit. The manganese-magnesium ferrite Ferramic A-34 was continuously presented to the Patent Office from the first application to the issue of the patent in suit. This being the situation, the court erred in holding claims 1 and 3 invalid. The court also erred in

concluding that claims 2 and 4 differed only in degree from claims 1 and 3 and thereby holding claims 2 and 4 to be invalid. Defendant's Motion for Summary Judgment should have been denied.

Respectfully submitted,

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CERTIFICATE.

I certify that, in connection with the preparation of this brief, I have examined Rules 18, 19 and 39 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing brief is in full compliance with those rules.

WILLIAM J. STELLMAN.

